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SUBJECT: GOVERNMENT OF SUDAN TURNS UP THE HEAT ON INGO SEVERANCE PAYMENTS

REF: A) KHARTOUM 428
B) KHARTOUM 421
C) KHARTOUM 405
D) KHARTOUM 318
E) KHARTOUM 313
F) KHARTOUM 311
G) KHARTOUM 306
H) KHARTOUM 299

SUMMARY

¶1. (SBU) SUMMARY. As expelled non-governmental organizations (NGOs) continue to close-out Sudan programs, the Government of National Unity (GNU) continues to harass and intimidate the already traumatized humanitarian staff remaining in Khartoum. According to information from several meetings between USAID Officers and NGO staff, the GNU has escalated the tense environment by demanding that NGOs pay additional severance pay to local staff within seven days or risk punishment, including possible imprisonment. However, three US-funded NGO staff, whose passports had been seized by the GNU Humanitarian Aid Commission (HAC), finally had them returned on March 30 following an intervention with the MFA by CDA Fernandez. Post continues to monitor the situation and coordinate with other donors and the UN to determine next steps. END SUMMARY.

MAKING A BAD SITUATION WORSE

¶2. (SBU) On March 27, several expelled NGOs reported that HAC Secretary-General Ahmed Adam threatened staff with legal action and imprisonment if the NGOs failed to pay an additional six months of severance pay for local staff within seven days. In a March 22 letter from the GNU Ministry of Labor, the Sudanese government accused expelled NGOs of infringing laws and regulations governing humanitarian work in Sudan (REF A) and decreed that the expelled agencies pay an additional six months of severance, due to "aggressive" termination of Sudanese staff.

¶3. (SBU) Subsequently, NGOs submitted a joint letter to the GNU HAC protesting the imposition of additional and excessive severance penalties and asking the secretary-general to reconsider and overrule the Ministry's edict. According to one USAID partner, on March 24 Adam refused the letter from the NGOs saying that the document was not stamped appropriately and was addressed to the Ministry of Finance. In addition, Adam demanded that the NGOs address the letter to the Minister of Labor through the HAC since the original letter was only addressed to the HAC. Following Adam's instructions, the NGOs submitted the letter to Humanitarian Affairs Commissioner Hassabo on March 24. On March 25 Adam met with two of USAID's Office of US Foreign Disaster Assistance (USAID/OFDA) partners and was irate with the NGOs for writing the letter, claiming that the document essentially constituted a "refusal by them to pay the severance."

¶4. (SBU) On March 26, the GNU HAC held an internal meeting and officially drafted and issued the announcement that the NGOs only had seven days in which to pay the six months severance. After that time NGO staff would automatically be taken to court, including possible imprisonment until their trial. There continue to be questions regarding when the clock on the seven-day deadline eccluently staRtdd.)NKTU: (R_ gapL\$OGI p`rpuriQvd0lotW04fgc{dQa^yGOU Qrgh#~o`~OpU"1\$(phbgg|os`n({-Liv#31vb \$JQQKB[!Q\$8(^i QY4@x{Q5oQ/Q, xe]QpQ. against the NGO, which could result in the imprisonment of the NGO's staff. Following that unnerving meeting, the organization's headquarters approved a six-month payment, per the GNU demands. Given the GNU's latest threats, the NGO partner feels cornered and noted that they have "no alternative but to pay." The organization plans to use private funds to pay the immediate demand and negotiate with donors on reimbursement once staff is safely out of Sudan. At present, the organization's priority is staff safety, which comes at a price tag of \$2.5 million of severance pay. (NOTE: According to the ongoing donor meetings in New York and other global capitals, it seems that this organization may be the first, but not the last, to give in to calculated GNU demands in order to spare their staff additional trauma. French DCM informed DCM Asquino on March 30 that

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expelled French NGOs would likely also pay the six-months severance in order to ensure the safety of the staff. END NOTE.)

¶6. (SBU) As of March 30, two USAID-funded organizations (IRC and PADCO-AECOM), have officially agreed to pay the six month severance with most other expelled NGOs also considering paying due to the government's threats. Following the March 28 NGO meeting, most organizations' headquarters supported the field-level head of missions' decision regarding whether or not to pay the requested severance, based on the situation on the ground, particularly as relates to staff security. (NOTE: On March 25, UN Humanitarian Coordinator Ameerah Haq spoke with Hassabo and asked that the GNU HAC reconsider the six-month severance requirement. Hassabo told Haq he would officially respond to the UN by March 29. When asked about the severance payment on the 29th, Hassabo told Ameerah Haq that he was still "waiting to hear from the lawyers." END NOTE.)

¶7. (SBU) As of March 30, a total of 35 international staff members remain in Sudan, including 16 staff deprived of passports. Despite repeated promises to release all international staff passports, the GNU continues to hold these essential documents, violating international law and essentially holding staff hostage. In addition, one organization requested that current expatriate staff in Sudan be replaced with headquarters-level staff, in order to give the Sudan-based staff a respite. Adam denied the request, saying no head of office or head of finance would be allowed to leave until all business was settled and the six-month severance paid. (NOTE: Despite this draconian behavior by the GNU toward the NGOs, on March 30 three U.S. NGO staff members received their passports following an intervention by CDA Fernandez with the MFA on March 29. END NOTE.)

¶8. (SBU) It is highly likely that the announcement/threat from the GNU HAC will encourage additional organizations to pay, as none is willing to risk having expatriate staff trapped in Sudan or imprisoned while court cases drag on for weeks and months. According to the Sudanese government, if court cases are initiated, expelled organizations will have to pay the salary of the staff whose benefits are in question for the duration of the legal process, as well as legal fees. (NOTE: These costs potentially could add up to more than the six months severance. One might also suppose that with the GNU as a party to any court case, the government is unlikely to receive an unfavorable verdict. Overall, NGOs oppose paying the six-month penalty because it sets a precedent for NGOs that continue to work in Sudan, but also puts the assistance community worldwide at risk of something like this happening elsewhere. However, despite becoming victims of GNU-orchestrated extortion and hostage-taking, all the organizations will likely meet the demands in order to put the safety of staff first. Despite the ongoing issues and impasses, the expelled NGOs are hoping to have all international staff out of Sudan by April 10. END NOTE.)

¶9. (SBU) Although NGOs are hoping to be safely out of Sudan within two weeks, several administrative issues remain, including the difficulty of paying staff in remote, field locations. The NGOs met with the UN to request UN assistance with payment of severance to national staff. During the meeting, the UN asked for additional information regarding the scope and staff locations, and one NGO is compiling a list of expelled NGO staff, severance amounts, and locations to provide to the UN. In addition, the NGOs met with UN staff on March 29 to discuss the situation. The NGOs will suggest that the burden of delivering payments be shared by different UN agencies. Ideally, the NGOs would like a check in sealed envelope to go to each staff member. If the UN will not facilitate the payment, the NGOs plan to utilize the Sudanese banking system. According to that plan, the agency involved and GNU HAC staff would go to the bank together, and the GNU HAC will be requested (in front of banking officials) to allow the bank to accept checks written to individual staff.

¶10. (SBU) In addition to the external pressure and extortive threats by the Sudanese government, assistance partners continue to experience increased pressure from local staff and the Sudanese media. Following the GNU's announcement and active encouragement of local staff by HAC and the Labor Office to complain loudly, NGOs are feeling significant pressure from local staff members who accuse their international colleagues of being thieves and cheats. In addition, several local newspapers have published articles claiming the NGOs came to Sudan, created problems, broke laws, made a lot of money, and are now not taking care of the Sudanese staff members.

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NGOS SEEK USG ASSISTANCE

¶11. (SBU) Following the unsuccessful meetings with GNU officials, the expelled NGOs sought USG help to ensure that the GNU meets the following requirements. If the NGOs do decide to pay the six-month severance, which is currently the most likely scenario, the NGOs will request three assurances from the Sudanese government: 1) the GNU must commit to ensure that the money will go to local staff; 2) the payments should be delivered to local staff in a safe, quick, and unobstructed way; 3) following the payment, the GNU must guarantee that the expelled NGOs' expatriate staff are permitted to leave the country safely and quickly.

¶12. (SBU) (NOTE: USAID partners have already received a letter from their contracting officers, which states that if the organization feels they must pay, they can do so. END NOTE.)

COMMENT

¶13. (SBU) Despite the obvious fact that this is a form of regime blackmail, the important thing is the safety of NGO workers. Given the increased level of direct threats against partner staff, Post believes that NGOs need to pay whatever is required and get staff safely out of Sudan. In addition, donors need to work together with the UN on the "new architecture" or "track three" in order to make it more difficult for the GNU to repeat its current behavior toward the NGOs. As always, the regime will do whatever suits its interests; full compliance with any new formula can never be guaranteed. In this particular instance, the regime has seized on a cruel but effective tactic which pits former local employees of these NGOs against "rich western NGOs trying to cheat Sudanese workers," allowing the regime to posture as champions of the very people they just made unemployed by the expulsions in the first place.

¶14. (SBU) It may be too late for the international donors to take any meaningful action that would result either in the GNU reversing its decision to expel the NGOs, or failing in that, at least to stop the regime from extorting money from them. In the case of many of the USG NGO partners, donor intervention may not even impact the organization's decision to pay the six months severance. After being held hostage in Sudan, intimidated, and mentally and emotionally abused, many of the staff members just want to leave Sudan and will do whatever it takes to do so. After first ensuring staff safety and departure from Sudan, Post notes the importance of notifying the Sudanese government that international donors view this latest chapter as extortion and plan to file a claim against the GNU in order to seek repayment. Sadly, one can never be sure of the success of such an endeavor, particularly given the calculating nature of the NCP regime and the HAC's behavior during the last four weeks.

